The Agricultural Situation

A Brief Summary of Economic Conditions

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

CERTIFICATE: By direction of the Secretary of Agriculture the matter contained herein is published as statistical information and is required for the proper transaction of the public business. Free distribution is limited to copies "necessary in the transaction of public business required by law." Subscription price 25 cents per year payable in cash or money order to the Superintendent of Documents, Government Printing Office, Washington, D. C.

Washington, D. C. APRIL 1, 1930 Volume 14, No. 4

SPRING WORK UNDER WAY—FULL PRODUCTION PROGRAM

In spite of late March blizzards, the new season appears to be opening up favorably and spring work is fairly well advanced over most of the country. Fruit trees are blossoming, meadows and winter grain have started up well, a large proportion of the oats are in ground, spring wheat sowing is under way, and corn planting is already progressing northward toward the Corn Belt proper.

The crop program this spring, as indicated by reports from about 50,000 farmers on their planting intentions, contemplates a few shifts in acreage. As compared with acreages grown last year, farmers report intentions to increase corn 3 per cent, oats 2½ per cent, flax 27 per cent, rice 12 per cent, grain sorghums 8 per cent, potatoes 3 per cent, sweet potatoes 8 per cent, tobacco 6 per cent, beans 15 per cent.

The plans are for decreases in durum wheat of 15 per cent and peanuts 5 per cent. The reported intentions are for an acreage about like last year in the case of hay and of spring wheat other than durum. Perhaps the most marked shift contemplated is that away from durum wheat and into flax, in the Missouri River Valley States.

If actually carried out, these planting plans would lead to a total crop acreage this year, exclusive of cotton, a trifle larger (about 2 per cent) than last season. But bad weather and other factors usually interfere somewhat with farmers' early plans.

Producers have carried very moderate stocks of grain and potatoes over from last year. The March reports showed 129,000,000 bushels of wheat left on farms, including wheat to be used for seed and feed, as compared with a 10-year average stock of 142,000,000 bushels. Likewise the stock of corn on farms was 989,000,000 bushels, against 1,125,000,000 average; and oats 399,000,000 bushels, against 487,000,000 average. In the case of potatoes, it is estimated that there are only about 20,000 or 25,000 cars yet to be marketed, nearly half the remaining stocks being in Maine.

Notwithstanding that American farmers are not carrying burdensome stocks of food and feed crops into the new season, however, they have faced this spring declining commodity markets and a general feeling of what might be called economic uncertainty. These things have reacted to create a somewhat depressed sentiment in all of the principal agricultural regions. On the other hand, the evidence so far indicates that farmers plan to go ahead with a production program fully up to that of other recent years.

104069—30——1

THE FALL IN COMMODITY PRICES

Editorial Note.—Not many months ago economic observers were counting as one reassuring item the fact that there was no general inflation in commodity prices. More recently, many important commodities have fallen in price until this decline, rather than inflation, has become the subject of widespread comment.

Agricultural observers especially have become concerned over the declining commodity markets, for they recall numerous periods when such declines in the general price level have borne down particularly the prices of raw materials and more particularly farm products. Agriculture has never fared very well in major periods of falling prices.

During recent weeks, the general commodity price level has fallen in this country to a point some 8 or 10 per cent below a year ago, and to the lowest levels since 1921–22. The London Economist reckons for England an average decline of nearly 5 per cent so far this year, and 12 per cent during the last 12 months, bringing British prices down to the lowest level since the war. The same thing, in degree, has been happening all over the world. Wheat, cotton, rubber, silk, wool, jute, coffee, hides, sugar, and various other important products have fallen in price in the world markets.

The question is, are we actually facing a prolonged period of falling prices or is this merely a passing phase? Are the recent declines to be attributed primarily to increased production, or to a proportionally smaller gold supply, or to other factors?

It is true that technical improvements have led to substantial increases in commodity production during recent years. It is also true that the world's output of gold during the last decade has averaged about $78,000,000 per year below the 1907–1916 average, according to the Mint estimates, although gold has largely been drawn into the central banks of the world so that it supports a much larger volume of circulating bank money and of credit than before the war.

We have asked some well-informed economists for their opinions on this question of falling prices and extracts from their replies follow herewith. It is interesting to note that there is some divergence of views on the part of these observers:

Prof. Irving Fisher, Yale University.—"It seems to me that we have hanging over the commodity market, and especially the agricultural market, a number of big stocks of raw materials. The same situation seems to apply to cotton, coffee, and rubber, and some other products. All of these from the commodity side of the market threaten a lower price level.

"My own commodity index last week went down by 1 per cent which is a very large figure for one week. (Refers to mid March.)

"So far as the monetary situation is concerned, there is no tendency just now from that source and no prospect in the immediate future, but there is a very great danger, I believe, for a general commodity fall from the scarcity of gold after the present slack is used up, which might possibly be within a year and very probably, it seems to me, within two or three or four years—although we can never tell what unforeseen interferences there may be.

"If the supply of monetary gold should decline relative to the monetary demands for gold, we are in for a long period of declining

prices similar to the period extending from 1879–1897. If, on the contrary, new and more effective means of economizing in the use of gold are adopted so that the money supply will keep pace with the demands of business, there will be no secular price decline. This would mean that the present decline in prices will very shortly cease and prices will again trend upward so as to return reasonable profits to the producers of raw materials. There may, and undoubtedly will be short periods of overproduction and distress selling at prices below costs, including reasonable profits, but such periods will not last very long and will be succeeded by periods of rising prices which will return attractive profits to producers.

Mr. George E. Roberts, Vice President, the National City Bank of New York.—"In my opinion the explanation of the fall of prices now occasioning so much comment is to be found in industrial progress, together with an expansion of capacity due to the war. I regard the change which is taking place in agriculture by the introduction of power-drawn machinery as comparable to that which resulted from the introduction of horse-drawn machinery about the time of our Civil War.

Agricultural production outside of Europe was very much stimulated by the late war, and low prices since the war have stimulated the use of the tractor and the new machinery which goes with it.

"The farmers who are prompt to use the facilities will profit by them, but not so many people are needed on the farms. An attempt to maintain the same population on the farms will mean an increasing surplus of products with falling prices, resulting in an enforced migration from the farms accompanied by continuing distress. The stabilization of prices, if accomplished, will cause more land to be brought under cultivation in the United States and elsewhere. The increase of wheat and cotton acreage in our plains country and our increasing exports of the new farm machinery tell the story.

"The Department of Agriculture has been describing the situation correctly. Secretary Hyde has said that production is running ahead of world requirements. Doctor Baker has said that at no time in the last 30 or perhaps 40 years has agricultural production increased at as rapid a rate as since the World War. Dr. W. J. Spillman in his address at Blacksburg, Va., August 1, 1929, said that we have a surplus acreage of cotton, corn, oats, and hay and a large acreage of wheat which is not on a competitive basis with other large areas. These statements are amply supported; why go further for the cause of falling prices?

"The agricultural-implement industry is the one line of manufacturing which to-day stands out in activity above every other. With the success of power-drawn machinery demonstrated, why close our eyes to it or to the inevitable results?

"As to the decline of products other than our own staples, the cause in each case is similar. The acreage in cane sugar was greatly increased during the war and this influence has been supplemented by the introduction of a new and more productive variety of cane. The production of coffee has been overstimulated by artificial price stabilization in Brazil and the price has been officially reduced under the pressure of increasing stocks. Rubber has gone the same way. An increasing carry-over accounts for the plight of wool, and the rapidly

increasing consumption of silk and rayon may be a factor in the price of both wool and cotton. The new agriculture of our plains country is enough to account for the cotton situation. The rapid increase in the production of the vegetable oils from tropical products is another factor. At last the Tropics are assuming importance in world trade and in the food markets. It is nothing to be alarmed about, for on the whole their exports mean new purchasing power in world markets, but account must be taken of their products. The increasing consumption of margarine and the extent to which the increase is among our own farming population is an interesting development.

"All of these changes are in the natural line of industrial and social progress, like the changes which have transformed the manufacturing industries, which have released 200,000 men from railroad service in the last 10 years, and which have reduced the proportion of farm population to total population in this country in the last 100 years from 75 per cent or more to 25 per cent. The people who readily adapt themselves to this law of change get along very well, but the people who attempt to set up their own preferences and prejudices against it are fated to have nothing but trouble."

Dr. Benjamin M. Anderson, jr., Economist, Chase National Bank.—"There has been a great deal of recent discussion, some of it rather despairing in tone, regarding a shortage of gold, and there have even been warnings of an impending 'gold panic' in the course of the next two or three years. Fears have been expressed that trade will be strangled and commodity prices forced ruinously low, unless immediate steps are taken to pool the gold reserves of the world, so that interest rates may be made very low again and excess bank credit made once more very abundant.

As against these fears, an incredulous optimism has had expression, which points to the ratio of reserves to combined notes and deposits of the Federal reserve banks, well above 70 per cent, and which asserts that there is an abundance of gold. Usually this optimistic view also asserts that the Federal reserve authorities should make interest rates low, in order to stimulate trade and maintain commodity prices.

"I share neither of these views. There is gold enough in the central banks of the world to make it easy to supply all the bank credit that is needed for legitimate business purposes. And the annual additions to the gold stocks of the world are ample to meet the legitimate needs of business expansion. But there is not enough gold in the world to enable us to continue the unsound things which we have been doing in recent years, during which expanding bank credit has been used as a substitute for investors' savings on a colossal scale, financing the mortgage market, financing the building trade, financing the one-sided flow of goods in the export trade, and, above all, financing a stock market speculation which was insatiable in its demands for credit.

"The 'gold panic' is not a matter for the future. The 'gold panic' has already occurred. The 'gold panic' occurred in the autumn of 1929 with the great stock market crash which dispelled the illusions which an abnormal concentration of the world's gold in one country had created. The year 1929 witnessed interest rates in almost every country of the world so high as to be unbearable, and so high as to bring a halt to the unsound uses being made of credit.

"The great expansion of bank credit which took place between 1921 and the middle of 1928 did not raise commodity prices. The average of commodity prices in 1928 in the United States was precisely what it was in 1921. But it seems virtually certain that commodity prices would have gone lower than they did during this period if the expansion of bank credit had not taken place. They remained still high above pre-war prices. In four main ways the bank expansion increased current demand for commodities:

"1. Installment finance grew much more rapidly than it would have done in the absence of the bank expansion, directly increasing consumer demand.

"2. The building trade, including State and municipal road building, moved much more rapidly than would have been the case, had real estate bonds and municipal bonds been harder to issue. This diverted a substantial part of the labor and resources of the country from the production of goods, which would otherwise have increased supplies in the market and lowered prices.

"3. The export trade, which would otherwise have been checked by our import restrictions, went on on a generally satisfactory scale.

"4. The bank expansion generated a great rise in the prices of stocks, bonds, and urban real estate, part of the profits on which led to a very substantial increase in the volume of consumer demand.

"It is not unreasonable to suppose that the curtailment of these four things, all of which went on, on an abnormal scale and on a scale which we can not expect to continue, should necessitate readjustments in our activities, and that these readjustments should be accompanied by, and, in part, brought on by, a moderate readjustment in commodity prices. But the world will be on a sounder basis when the building trade is financed primarily by investors' savings, when exports are paid for by imports, and when consumer demand comes more exclusively from normal sources of income. It is a very short-sighted financial policy which would seek to avert these readjustments by a frantic effort to bring about a renewal of artificially cheap money, with a further impairment of the liquidity of the world's credit."

Dr. Alonzo E. Taylor, Director Food Research Institute, Stanford University.—"With appropriate qualification to be applied to particular raw materials, the world-wide decline in prices of raw materials may be ascribed to extension of the plant of production, increase in efficiency of production, and enlargement of scope of substitution in consuming countries.

"The trend of decline may have been assisted by progressive shortage in supply of new monetary gold. During the present season it has been accentuated by depression of purchasing power of Europe, consequent on diminution of American foreign loans in 1929 and exaggeration of European balances in the United States during 1929. I am not convinced that the importance ascribed to the gold supply by Keynes and Cassel is demonstrable.

"It seems to me the outcome during the next few years will be determined by the extent to which the decline in price level of raw materials finds quantitative reflection in decline in retail price level of finished goods. If a quantitative reflection does not occur, then a world-wide diminution of purchasing power of producers of raw materials will follow. Either a new equilibrium will be attained, or the existing disparity between selling prices and buying prices will be exaggerated."

Dr. E. G. Nourse, Director Brookings Institute of Economics.—"Probably my views as a consistent bear on the world agricultural situation since 1919 are sufficiently well known so that little further comment is needed on the most recent developments in that situation.

"As to its meaning to the agricultural worker in the United States, I would urge him not to spend too much of his time studying the superficial similarities of this down curve to other 'post-war price deflations,' nor to attach too much importance to the number of ounces of gold coming from the Rand this year or next.

"The time of all of us will, I think, be most profitably employed if we center attention on getting actual figures as to the absorptive capacity of the market both in this country and abroad, keeping close tab on the competitive strength of other suppliers of the world's markets, and laboring to discourage submarginal operations and to realize the reductions in unit costs which are now possible in the remaining portion of the field."

THE TREND IN FARM POPULATION MOVEMENTS

Many classes of people are interested, for one reason or another, in the outcome of the annual survey of population movements to and from farms—from farms to cities and from cities to farms. It is to some an index of agricultural conditions during the past year, carrying with its something of a forecast affecting agricultural investments. To the farmer at large, the result is an indicator of more or less competition in farm production and marketing. To the city worker who is sensitive to an increase or decrease in the city labor supply, it is a finger pointing to labor conditions and labor opportunity over the Nation. To the employer of city labor, it is a significant straw outlining the course of labor and the purchasing power of the people. To the statesman it is a sign of fair or stormy weather on the national horizon. To the technical interpreter of the results, it is only an item in a trend of several years' duration.

In fact, this annual movement of farm population is, at some point or other, connected with and affecting almost every man, woman, and child, whether living in city or country. It is well to pause a moment and consider how these movements between farm and city come to take place.

An appeal to experience will verify some very important facts in regard to the relation of farm families to city families. For example, a well-scattered sample of 45,000 farm families showed, in the United States census of 1920, that 10 per cent of all persons living on farms who were gainfully employed in some occupation, were so employed in nonagricultural occupations. This can only mean that already living on the farms of the United States, as members with the family that is engaged in agriculture, is a considerable number of persons who are connected in surrounding towns and cities with what may be called city work.

Here, then, is itself a population of a couple of millions, which having gradually got acquainted with town and city life and labor before quitting the family home, has ventured the first step toward leaving the farm and taking up residence and occupation in town or

city. This step, when finally taken, undoubtedly will let other persons on farms take their places at working in towns and cities while living at home on the farms.

Let us take another set of facts into account. According to the United States census estimate, there were in 1910—just 20 years ago—some 32,000,000 persons, old and young, living on the farms of the United States. From that time, a slow annual decrease in farm population is estimated to have taken place over the 20-year period. This means, of course, that the farm population did not add to its number each year as many persons as the total born that year on farms minus the number who died—a number which may be called the natural increase of population—but rather that for 20 years, it has lost to towns and cities a number equal to the whole of its natural increase. This natural increase per year is estimated at between 350,000 and 400,000 persons. So, you see, in 20 years we find that between seven and eight millions of persons, old and young, have gone from farm homes to live and labor in cities.

Nor is this the whole story of the movement. If only a number equal to the natural increase had gone to cities, the farm population would still stand at 32,000,000 as in 1910; whereas, it has in fact dropped to a figure around 27,000,000. Here is a decrease of another 5,000,000 to be added to the 7,000,000.

These 12,000,000 farm-bred persons living in cities have linked practically every farm home at some time or other with some city family, forming a channel of correspondence and information back and forth between farm and city. This matter-of-fact situation provides a ready means of pulling farm people to cities, as opportunity and desire present themselves. Nor is this all.

Here is the other side of the story. There has been a constant return movement to farms from cities, amounting during the last 10 years to a total, in round numbers, of 1,000,000 persons a year. This stream includes sons, daughters, nephews, and nieces of farmers who, while living in cities, have come into the inheritance of farms through the death of parents or uncles and aunts. It also includes those who have gone to cities from farms, tried city life, and found that the city for this reason or that did not agree with them; but whoever they may be, they are there now in farm communities, neighbors of farm families, as centers of first-hand information about city life and opportunity.

These facts make more understandable to us why we have had so remarkable a volume of movement, responding so quickly to changing conditions on farms and in cities.

The movement away from farms to towns and cities was smaller in 1929 than during 1928; smaller in 1928 than in 1927, and smaller in 1927 than in 1926. The total number of persons comprising this movement in 1929 was 1,876,000; in 1928, 1,923,000; in 1927, 1,978,000; in 1926, 2,155,000.

The movement back to farms from towns and cities was also smaller in 1929 than in 1928; smaller in 1928 than in 1927. The total number of persons moving to farms from cities in 1929 was 1,257,000; in 1928, 1,347,000; in 1927, 1,374,000.

In fact, the gradual slackening of the movement away from farms and farm life seems to indicate that the economic forces back of this movement are losing their momentum; and on the other hand, the similar slowing down of the return movement to farms indicates a

gradual stabilization of the social and economic conditions of those persons who had left farming previously to try out city life.

The births on farms, during 1929, were 631,000; the deaths, 281,000; giving a natural increase of 350,000 persons. This natural increase added to the arrivals from cities was not enough, however, to balance the departure for cities, so that as a result the farm population January 1, 1930, stood at 27,222,000. This compared with 27,491,000 January 1, 1929, showing a decrease of 269,000 persons.

The remaining farmers of the Nation will undoubtedly interpret this decrease as an additional market for their products in cities and as a lessening of farmer competition in production. The cities will interpret this gain to city population, made up as it is largely of youth from the farms, as an index of city growth and added man power.

I. MOVEMENTS TO AND FROM FARMS

[Births and deaths not taken into account]

During year	Persons leaving farms for cities [1]	Persons arriving at farms from cities [1]	Net movement from farms to cities [1]
1922	2, 000, 000	880, 000	1, 120, 000
1923	(2)	(2)	(2)
1924	2, 075, 000	1, 396, 000	679, 000
1925	1, 900, 000	1, 066, 000	834, 000
1926	2, 155, 000	1, 135, 000	1, 020, 000
1927	1, 978, 000	1, 374, 000	604, 000
1928	1, 960, 000	1, 362, 000	598, 000
1929	1, 876, 000	1, 257, 000	619, 000

[1] Estimated. [2] No estimate.

II. FARM POPULATION IN THE UNITED STATES

Year	Number	Year	Number
Jan. 1, 1910	[1] 32, 076, 960	Jan. 1, 1925	[2] 28, 981, 668
Jan. 1, 1920	[2 3] 31, 614, 269	Jan. 1, 1926	[4] 28, 541, 000
	[4 5] 31, 000, 000	Jan. 1, 1927	[4] 27, 892, 000
Jan. 1, 1921	[4 6] 30, 600, 000	Jan. 1, 1928	[4] 27, 699, 000
Jan. 1, 1922	[4 6] 30, 200, 000	Jan. 1, 1929	[7] 27, 491, 000
Jan. 1, 1923	[4 6] 29, 800, 000	Jan. 1, 1930	[4] 27, 222, 000
Jan. 1, 1924	[4 6] 29, 400, 000		

[1] Estimated, United States census.
[2] Enumerated United States census.
[3] This number, 31,614,269, includes all persons living on farms and also the members of farm laborers' families living in the country but not on farms.
[4] Estimated.
[5] In order to make the number of farm population of 1920 comparable with that of 1925, the above-mentioned members of farm laborers' families (estimated at 614,269 persons) are subtracted.
[6] The loss of farm population between 1920 and 1925, calculated as the difference between 31,000,000 and 29,000,000 (round numbers) was averaged for the 5 years at 400,000 per year, and so the farm population for this year was obtained by subtracting 400,000 from the farm population of the previous year.
[7] Slightly revised.

III. RECENT LOSSES IN FARM POPULATION

During period or calendar year	Net loss of farm population in United States [1]	During period or calendar year	Net loss of farm population in United States [1]
1910–1920	[2] 463, 000	1927	[2] 193, 000
1920–1925	[3] 2, 000, 000	1928	[4] 208, 000
1925	[2] 441, 000	1929	[2] 269, 000
1926	[2] 649, 000		

[1] Net loss is number of persons leaving farms for cities added to number of persons who died, and from this sum is taken number of persons going to farms from cities added to number of births.
[2] Estimated.
[3] From United States census enumerations.
[4] Estimated, slightly revised.

IV. FARM POPULATION, JANUARY 1, 1930, BY DIVISIONS

Division	Farm population, Jan, 1, 1930, and percentages of the farm population, Jan. 1, 1929.	
	Number	Per cent
United States	27, 222, 000	99. 0
New England	617, 000	98. 1
Middle Atlantic	1, 727, 000	99. 1
East North Central	4, 139, 000	99. 2
West North Central	4, 541, 000	98. 7
South Atlantic	5, 373, 000	99. 2
East South Central	4, 523, 000	99. 9
West South Central	4, 480, 000	98. 9
Mountain	878, 000	96. 5
Pacific	944, 000	98. 1

C. J. Galpin,
Division of Farm Population and Rural Life, B. A. E.

THE EFFECT OF THE BUSINESS SITUATION ON CONSUMER DEMAND FOR MEATS

After it became apparent last fall that business conditions this past winter would be much less favorable than in the preceding winter there was considerable speculation as to the effect the decreased industrial activity would have on consumer demand for agricultural products. Livestock producers in particular were somewhat concerned as to how the situation would affect the prices for their cattle,

hogs, and sheep. While it is yet too early to determine the ultimate effect of the business recession on livestock and meat prices, sufficient statistical evidence is now at hand to make it possible to obtain a rough measurement of consumer demand for meats during the four months, November, 1929, to February, 1930, compared with the corresponding months of the previous winter. While a decrease in demand might be due to lower prices for other foods or to differences in the quality of meats consumed in these periods, no attempt has been made to measure these effects.

The data used in determining the changes in demand include figures representing the disappearance of meats from federally inspected slaughter into consumptive channels, and the monthly average retail prices of certain cuts of meats compiled by the United States Bureau of Labor Statistics from reports of retailers in 53 cities. The cuts, or products, on which retail prices are compiled are as follows:

Beef.—Sirloin and round steak, rib and chuck roast, and plate beef.

Pork and lard.—Pork chops, sliced bacon, sliced ham, and lard.

Lamb.—Leg of lamb.

In the case of beef and pork, a composite price was computed from the prices of the different cuts, making due allowance for the proportion of each cut in the carcass. From these monthly composite prices and the monthly price of leg of lamb a weighted average price for each four months period was computed. The final results obtained appear in the following table showing the per capita disappearance of meat from Federally inspected slaughter, the computed average price paid, and the total amount paid per capita.

NOVEMBER, 1928, TO FEBRUARY, 1929

Kind of meat	Per capita disappearance	Computed average price per pound	Total amount paid
	Pounds	*Cents*	
Beef and veal	12.63	33.74	$4.261
Pork and lard	20.22	35.56	7.191
Lamb and mutton	1.43	[1] 38.95	.557
Total	34.28	35.03	12.009

NOVEMBER, 1929, TO FEBRUARY, 1930

Kind of meat	Per capita disappearance	Computed average price per pound	Total amount paid
	Pounds	*Cents*	
Beef and veal	12.28	33.86	$4.158
Pork and lard	20.02	35.43	7.093
Lamb and mutton	1.55	[1] 38.385	.595
Total	33.85	35.00	11.846

[1] Price of leg of lamb.

While it is recognized that the retail price data available are not adequate for making a refined measurement of the demand situation in the two periods it is believed that they serve to give an approximation of the changes that took place. According to these figures the total per capita disappearance of meats and lard decreased 1.25 per cent while the average price paid was reduced only 0.1 per cent and the total amount paid per capita decreased 1.35 per cent. Since there was a slight reduction in both consumption and price, a slightly weaker demand is indicated.

In the case of beef and veal the per capita disappearance decreased 2.8 per cent while the average price paid increased 0.4 per cent.

Per capita disappearance of pork and lard decreased 0.99 per cent while the average price paid by consumers was reduced 0.37 per cent.

Per capita disappearance of lamb increased 8.39 per cent while the average retail price of leg of lamb was lowered 1.46 per cent.

This would indicate a stronger demand for lamb, but whether or not the price change shown represents the full decline in retail lamb prices is questionable. Many retailers made sharp reductions in lamb prices in February this year, especially in featuring lamb sales in order to move the large supplies that were being offered in the wholesale trade at extremely low prices. There is some evidence also that retail prices of leg of lamb did not decline in the same proportion as did prices of other retail cuts of lamb.

Analyzing the data for February, the most recent period for which information is available, the following changes are noted in per capita disappearance and retail price.

	Per capita disappearance			Retail price per pound		
	1929	1930	Increase or decrease	1929	1930	Increase or decrease
	Pounds	*Pounds*	*Per cent*	*Cents*	*Cents*	*Per cent*
Beef and veal	2.81	2.73	−2.85	32.99	33.78	2.39
Pork and lard	4.45	4.02	−9.67	35.21	35.37	0.45
Mutton and lamb	.33	.40	21.21	40.30	38.10	−5.46
Total	7.59	7.15				

It is apparent from the above figures that the demand for hog products in February was somewhat weaker than in February, 1929, and weaker than the average for the three preceding months. The demand for beef and for lamb and mutton, as indicated by the supply and price relationship, showed but little change.

Since wholesale prices are usually more sensitive than retail prices in registering changes in supply and demand conditions, it is of interest to note recent changes in demand for livestock as shown by comparisons of total live weight of animals slaughtered under Federal inspection with the average price paid for such animals. The following

results are obtained in comparing the period, November, 1929, to February, 1930, with the corresponding period of the preceding winter.

	Per cent increase or decrease in supply	Per cent increase or decrease in price
Cattle	−2.0	−2.8
Calves	1.3	−7.0
Hogs	−8.6	5.6
Sheep and lambs	10.5	−17.4
All livestock	−5.16	0.84

The above figures show a general weakening in the demand for all livestock with the greatest weakness indicated for cattle and calves. The greatest decrease in the average price of sheep and lambs has been due in large part to the large increase in slaughter. The world-wide decline in wool prices also has been a contributing factor.

The demand situation as it affected livestock prices in February apparently was not greatly different from that for the entire period of November to February as shown in the following comparisons of February, 1930, with February, 1929:

	Per cent increase or decrease in supply	Per cent increase or decrease in price
Cattle	−1.06	−0.90
Calves	4.53	−10.22
Hogs	−8.67	4.32
Sheep and lambs	26.99	−32.58
All livestock	−4.06	.59

The statistical evidence presented herein indicates that the demand for livestock and meats during the past winter was adversely affected to a slight extent. The reduction in demand, however, appears to have been small, and prices have been principally influenced by changes in supply.

C. A. Burmeister,
Livestock, Meats, and Wool Division, B. A. E.

FRUITS AND VEGETABLES

The fruit and vegetable market did not wholly escape the generally downward tendency of prices this spring. The declines were partly seasonal and as a rule were not especially severe, nor far out of line with production and supply, but the general effect was a rather dull and disappointing market condition.

Since the greater part of the production of most staple lines was out of the growers' hands before the worst of the market setback took place, the center of interest has been shifting somewhat to the acreage of the coming crops, which with the weather, of course, will largely determine the market outcome.

POTATO MARKET LACKS VIM

Although some underlying conditions tended to support the potato market this spring, the actual outcome has been disappointing to late holders. With prices of most products falling, it was not easy to start confident buying in the potato market. Meanwhile, active shipping movement from the Upper Lakes region kept along persistently, despite the short crop. There were still some potatoes left in the Mountain States, and there were especially heavy holdings in Maine. Canadian potatoes have been coming over at about the rate usual in a short-crop year. Quality of late-held potatoes was beginning to show defects. The Southern crop, too, has been coming forward rapidly, with acreage increased. They compete to some extent with old potatoes as soon as the price of new stock declines. The ample supply of potatoes the past season, despite a reduced acreage and a dry season, seems plain enough warning against much heavier planting of the main crop this year.

So far, the shipment figures have kept close to those of the potato season of 1926–27, when about 150,000 carloads had been shipped by April 1 and 25,000 more went to market by the end of the season. The clearance of the old crop was thorough that year because of the high prices in April and May, resulting from damage to the new crop. Stocks on hand now are about the same as then on the basis of current estimates and shipments. Whether the remaining shipments will be say, 20,000 or 25,000 will depend considerably upon whether the price is high enough to start the last carloads from distant producing sections. Late developments will be watched in Maine, which appears to hold nearly half the remaining stocks; in Minnesota and Wisconsin which have continued active shipments persistently, and in Idaho which has held prices more successfully than eastern producing sections. The prices in April and May will depend mainly upon how the new crop turns out and how fast it comes to market.

Season's shipments, early and late, total only a few thousand carloads below those of last season with its heavy crop. It is the old story, always potatoes enough, but in a short-crop year it takes high prices to start them all to market. Shipments from the main-crop States as a group are larger than last season because of the lack of local supplies in the nonshipping States where drought was most severe, forcing them to depend on distant shipments.

Frost, flood, or drought might still cause a flurry at the end of the old season. But with the producing areas so widely extended and early vegetables of various kinds available in considerable quantity, unusual conditions are required in any season to bring about extreme prices for potatoes late in the spring.

ACREAGE GAIN EXPECTED

The tendency to heavier planting of potatoes seems to become more moderate going northward. Florida and Texas growers planned a 44 per cent gain over last season's acreage. Nine Southern States,

northward to Virginia and including California, intended an 8 per cent increase and nine later sections from New Jersey, west to Kaw Valley, planned only a gain of 5 per cent. Combined increase of market potato acreage in 20 early shipping States would be 11 per cent over last season, but still 3 per cent below the average of the previous five years. All States combined report intended increase of over 3 per cent which would be excessive in a good growing year, but possibly still a paying crop with yield average or less. Last year's potato acreage proved ample with a yield of only 106 bushels. Probable gains in both acreage and yield, as compared with last season, seem to threaten the stability of the coming market, mainly because of the overconfidence of a host of small growers, rather than to any extensions by the larger commercial planters. It appears that many representative large growers are not increasing their acreage and some are decreasing. The business depression, so far as it extends into the market season, is likely to affect the demand for potatoes when they are selling at prices higher than ordinary. Early prices of new potatoes have been only moderately above those of the best stock from storage.

Sweetpotatoes have shown some independence of the general potato situation. White potatoes are double the price of a year ago, but the sweet kind sell 25 to 50 cents a bushel lower than a year ago. The market position of sweetpotatoes is about in line with the increased production, taking into account the declining tendency of most farm products this spring. The shipping period is about nine-tenths over and shipments probably will total 10 to 15 per cent more than last season. In most commercial producing sections, there is little in the market situation to lend encouragement to overplanting, yet the March report of intentions suggests fully 8 per cent gain in the acreage, with increases in several heavy shipping States.

ONIONS, OLD AND NEW

Toward the end of the main market season, onions began to show the effect of long storage and warmer weather. Most of the remaining supply is not in first-class condition and there is accordingly a wide range of prices. A limited quantity of sound stock remains in common storage and some in cold storage and these are expected to find a favorable opening during the month. Usually, only 200 or 300 carloads of old onions move to market after the end of March, but so far, the spring shipments from Colorado, the Middle West, and from western New York have exceeded most of the estimates because of the attempt to market considerable stock of low grade and poor condition.

Texas Bermuda onions made good recovery from the unfavorable growing conditions of two months ago, but the early plantings show large percentages of defective onions. First shipments are likely to reach the northern markets early in April, but no large receipts are expected until the second half of the month. California onions are not usually a feature of importance until May, but the crop is unusually early and promising this year and may enter the markets in quantity during April. The acreage of California Bermudas has been cut by one-third to one-half, compared with the two previous seasons, but a heavier yield may be a considerable offset to the lighter planting.

APPLES FAIRLY STEADY MARKET FEATURE

Prices of apples have shown little change during March in producing sections and they are not much different from the prices of a year ago, although the season's shipments are about one-fifth less and the holdings in cold storage are lighter. Tendency to small sizes and ordinary quality in some producing sections, together with the declines in other farm products, have proved a handicap to the winter and spring apple market.

Apples have been moving out of cold storage at about the usual rate. Quantity of boxed apples remaining in near average for the time of year. Eastern apples in barrels and baskets are 15 per cent below average quantity. Car-lot apple shipments have reached 95,000 and seem likely to equal or exceed the 100,000 forecast of last December. The market depends mainly on cold-storage apples near the end of the season.

Apple exports from the United States in barrels or boxes, or both, have been not very much more than half those of last season, but unusually heavy exports from Canada and liberal home-grown supplies in Europe, together with general business depression, have kept prices down in foreign markets. Quantity exported from the United States and the market action during the greater part of the season have resembled conditions of the 1927–28 season, the main difference being the unusually active competition from eastern Canada. Prices have often been unsatisfactory for anything but the most desirable late-keeping varieties. There is still some buying for export, but the active season is expected to end soon.

ORANGES AND GRAPEFRUIT SELL HIGHER

Recent sharp advances in prices of the citrous fruits renew interest in the unusual features of the season. Quarantine regulations, on account of the Mediterranean fruit fly, made it necessary to process much of the Florida fresh fruit and restricted the distribution.

Prices of oranges and grapefruit tended strongly upward during the second half of March. Permission to ship the fruit from Florida until April 15 has been granted by quarantine officials. This extension will allow a larger portion of the crop to be moved to market. The market situation for canned grapefruit may be acute, as the pack this season was very large. Only 12,000 cars of fresh grapefruit had been shipped from Florida by mid-March, compared with 22,000 all of last season. Orange shipments of about 16,000 cars were only half the quantity marketed during the 1928–29 season. Less than 5,000 carloads of citrous fruit were expected to move from Florida points after the middle of March.

Southern Texas has shipped 3,400 cars of grapefruit, or more than twice as many as during the previous season. Mixed citrous fruit from Texas also filled 500 cars. California will control the market after April 15, although considerable Florida fruit has gone into storage in the North. Movement of California oranges was still averaging 150 cars daily, with forwardings of lemons and grapefruit very limited.

MISCELLANEOUS TRUCK CROPS

Rather moderate prices recently were indicated for strawberries, tomatoes, and asparagus, and markets for cabbage and spinach were declining during the last weeks of March. Celery, string beans, and

lettuce were in a fairly firm position. Judging from acreage reports, large crops of spring lettuce and western cantaloupes are in prospect, but the production of strawberries in Louisiana is likely to fall below the 1929 record.

Asparagus.—Weekly movement of asparagus, shortly after the opening of the California season, was five times greater than during the same period in 1929 and terminal market prices were only half those of a year ago, ranging mostly $5 to $6.50 per crate of 1-dozen bunches. California expects nearly twice the light production of last season, but the Southeastern States may be a little short.

Cabbage.—Prices of Texas cabbage advanced so rapidly that the market became top-heavy during late March and f. o. b. prices declined from their high level of $100 per ton. Demand was strong and shippers in Holland and Denmark were able to find a profitable market outlet here. The southern Texas season will soon close, and then South Carolina, Louisiana, and Mississippi become active. The second-early States as a group have 15 per cent lighter plantings than last season, and 14 intermediate States together expect a 4 per cent decrease from their 1929 acreage. Such indications suggest more favorable markets than last year, unless yields are exceptionally heavy.

Cantaloupes.—It will hardly be more than a month until first shipments of the large crop of cantaloupes are moving from Imperial Valley, Calif. Plantings of cantaloupes and similar melons in four early-shipping States are expected to be 56,450 acres, compared with 39,560 last year. This would also be 57 per cent greater than the average plantings of the last five years. Covered acreage in Imperial Valley is around 29,000 acres and the total for that district is 55,000 acres. Increases have been made in plantings of Honey Ball and Honey Dew melons, as well as the standard varieties of cantaloupes.

Celery.—The Florida celery situation improved considerably during the last half of March. Cool rainy weather retarded the crop; delayed movement to some extent, and gave terminal markets a chance to recover. Prices advanced at Florida and California shipping points.

Lettuce.—Movement of the spring lettuce crop in Arizona was actively under way, and the Imperial Valley season in California was closing with a record of 13,500 cars shipped. As many as 5,000 carloads may move from the heavy plantings of 19,000 acres in Arizona. Production is forecast at 3,040,000 crates, compared with 1,727,000 last spring. Parts of California outside the Imperial Valley expect 4,680,000 crates, or 75 per cent more than in 1929. Plantings in five intermediate lettuce States probably will be increased slightly to 4,030 acres, with largest gain in Washington.

Spinach markets in southern Texas have been advancing and declining, in rather close correspondence to the supply and demand. The Norfolk section of Virginia will be the leading source of supply in April and May, followed by Maryland.

Strawberries were under way in Louisiana and a large crop of 30,000,000 quarts is expected from that State. Florida was about finished, with a shipment record almost equal to that of last year. Prices were quite moderate; consumption this season has been active. Quality of some shipments has been only fair. Although cold weather may have affected the Louisiana crop to some extent, growers were hoping to match their 1929 record, when about 2,900 car-

loads were shipped to market and the farm value of their crop was $7,000,000. Total production in five early States is forecast at 68,000,000 quarts, or about the same as last year.

String beans in Florida were seriously damaged by the March freeze. Output was sharply reduced, and f. o. b. prices again advanced to top of $6 per bushel hamper. Some replanting was done, which will prolong the shipping season until May. Car-lot forwardings from Florida have already doubled last season's corresponding figure and have exceeded 2,700 cars to date.

Tomatoes have been arriving most actively from the west coast of Mexico. The heavy imports now exceeding those of last spring, coupled with inferior quality of much of the Florida crop, tended to depress the market along the Florida east coast, so that 6-basket crates were returning only $2.75 and lug boxes about $2. Next important shipping sections will be southern Texas, Mississippi, and eastern Texas with increased acreage. Five second-early States together expect 36,600 acres, or roughly one fourth more than in 1929.

G. B. Fiske and Paul Froelich,
Division of Fruits and Vegetables, B. A. E.

THE EGG AND POULTRY MARKET SITUATION

The March egg market has been featured largely by liberal receipts, heavy into-storage movement, sharp decline in trade output, and a continuation of the low price level established in the last few days of February.

The favorable production conditions, which characterized the last half of February and that part of the current month to date, have resulted in exceptionally ample supplies for this time of the year. Receipts on the four principal markets for the first three weeks of the month have averaged around 25 per cent larger than for the same period last year. For the first 10 days of March, receipts were more than ordinarily liberal, but from then on, while larger than last year, showed a substantial decline from the high rate of increase reached earlier in the month. This may be partly due to the fact that the season of early flush production came several weeks sooner this year than last, but it is also thought that it may be partly accounted for by increased buying for storing and for breaking plants at points other than the principal markets.

Breaking plants are reported to be especially active, the majority of such plants being operated in the expectation that the tariff on frozen eggs will be increased shortly and that the market for this product next fall will be strong. The use of large quantities of eggs for breaking purposes has been of considerable support to the market for the past few weeks, and has undoubtedly been an important preventive in keeping prices from working to lower levels.

Egg storage operators in the main had a profitable season last year. They are, therefore, entering upon the new season in a favorable frame of mind. The low price level following the severe February declines led to some storing even during the last week of that month, and on March 1 eggs in storage were reported as 84,000 cases. Only once before has the number of cases in storage on that date ever exceeded this amount, and that in 1927. Since the first of the month, eggs

have gone into storage at a very rapid rate, and the reported holdings of 849,000 cases on March 24 in 26 of our most important cities, indicates that on April 1 total cold-storage holdings of eggs will closely approach, if not actually exceed, the record holdings for that date, which occurred in 1927.

Prices for the month have held to a very narrow range. While the demand for eggs for storing purposes and for breaking plants has caused some slight advance since March 1, the heavy accumulation of stocks in storage will probably prevent much further rise at this time, with the possibility that should production continue the same trend now indicated, prices may work to even lower levels during the coming month.

The most discouraging development of the month has been the decline in trade output. In spite of the comparatively low retail prices of the last several weeks, especially in chain stores where eggs have been strongly featured as a "sales leader," the apparent consumption of eggs so far during March has not at all been what the trade in general expected. The trade output in the four most important egg markets from the first of the month to date has been about 10 per cent less than for the same period last year. Undoubtedly this is a reflection of the present unsatisfactory business and industrial conditions expressed through lowered purchasing power of the wage earning class. As some improvement is expected in the general situation with the opening of the spring season, consumption will probably show some increase at that time.

There has been no appreciable change in the dressed poultry market from last month, with a continuation of the general tone of weakness that makes it possible for buyers to still maintain their favorable position. Possibly the principal exception to this is in the case of fresh-killed fowls, the receipts of which have been comparatively light thus far in March, resulting in a slight rise in prices. Other classes, however, have not been so fortunate, but under the pressure of receipts approximately the same as last year and with burdensome stocks in storage, have suffered some small decline in prices.

As a rule, prices on dressed poultry are now approximately 10 cents lower than last year on all grades except fowl. This situation is apparently having some influence in stimulating consumption, as the trade output for March has so far been about 12 per cent larger than for the corresponding period a year ago. In that total receipts of fresh-killed poultry of all grades have averaged slightly less than last year for the period, the increased consumption has been brought about through a more extensive use of frozen poultry, causing a marked improvement since the first of the month in the storage situation as far as stocks are concerned. At current prices, however, owners of frozen poultry are reported as being unable to realize any profit; in most cases, incurring a slight loss. If the present level of prices is maintained, the trade anticipates a large out-of-storage movement during April and May, although it is doubtful if this will improve the situation to the extent of enabling frozen-poultry owners to make much profit on their season's operations.

The Bureau of Agricultural Economics has just released its Monthly Hatchery Report for February, 1930. Eight hundred and thirty-five hatcheries, each with a capacity of 10,000 eggs or more, submitted reports showing their operations for both February, 1930, and February, 1929. On the basis of the comparison for both years, the

report indicates an expansion of approximately 22 per cent in total incubator egg capacity, 42 per cent in total eggs set during the month, and 42 per cent in total number of salable chicks hatched, in February, 1930, over the same month last year.

The February report shows a continuation of the same trend of marked expansion of hatchery operations indicated in the January report. The January report also indicated that hatcheries were planning on an increase of around 17 per cent in their output for the season of 1930 over 1929. Since that time, however, the price of eggs has experienced a drastic decline, suggesting the possibility that if the present spread under last year's prices continues through the season of heavy production hatcheries will be forced to curtail their operations in response to a slowing up of orders for hatchery chicks. In fact, there is some indication that this is now occurring, although it is thought that the decline in prices has been too recent to appreciably affect March operations as there have as yet been but few cancellations of orders booked for that month. Orders for April and May hatchings, however, are said to be coming in at a much slower rate, with some cancellation of orders already booked for delivery during those months.

B. H. Bennett,
Division of Dairy and Poultry Products, B. A. E.

THE DAIRY SITUATION

March is one of those months of the year when uncertain price trends may be expected in the butter markets. Not only has the March, 1930, price trend been uncertain, but it has also been most unusual. Right through the month until March 20 fresh butter prices climbed steadily, the net advance on top grades amounting to 5½ cents per pound, which brought prices at the close of this series of advances to within 7 cents of last year's level for corresponding dates. On the first of the month the difference between the two years was 17 cents.

The cause of these advances is attributed mostly to a scarcity of fresh butter, which was such that many buyers turned to storage butter for their current needs. A scarcity of fresh butter is reflected not only in lighter market receipts but is revealed also by reports on actual production. Receipts of butter at wholesale markets during February were about one-half of 1 per cent below those of last year, but during the past 30 days the drop has amounted to almost 1½ per cent.

The latest production report for the entire country covers February, and the estimate is 96,000,000 pounds compared with approximately 98,000,000 pounds in February of last year, a decrease of 1.7 per cent. Weekly reports covering large plants in the centralizer creamery territory have shown consistent decreases this year as compared with 1929, and while reports covering local plants, mostly in Minnesota, continue for the most part to show increases, the amount of the increase has dropped considerably the past few weeks. More butter is being made in some of the States where production of fluid milk for city use is an important industry, and while the amounts are not large the fact alone is of some significance for it suggests a surplus over local market milk requirements in these areas. In view of the foregoing, there is no question at all but that total butter

production is down, a natural condition to expect in view of the price situation, which producers generally have regarded as very unfavorable since early last fall.

From the standpoint of the present excessive storage holdings, decreased butter production has helped relieve a burdensome situation. Regardless of the net out-of-storage movement having been heavier this year than last, particularly so during the past four weeks, total storage stocks are still four times greater than a year ago. On the first of this month, the quantity in all cold-storage warehouses was 46,500,000 pounds, almost as large as stocks have been averaging on January 1.

Putting this another way, the butter storage season is drawing to a close, but we are just about where we normally are on the first of the year in the matter of storage reserves. Even if there is a very active out-of-storage movement the balance of the season, it is quite likely that there will be a heavy carry-over into next season. Traders in the markets are apparently reconciled to this condition, and after all, a heavy carry-over will prove to be less of a burden if decreased production should continue. This, of course, is an optimistic viewpoint, and what will really happen is a matter of conjecture.

The same may be said regarding butter prices during the weeks ahead. Ordinarily, April prices average about 3 cents below March, and May prices run approximately 1½ cents below April, but anticipation of price changes this year is made more difficult by the fact that the prevailing price level is already low, and because price changes this year have been somewhat erratic due to the unusual conditions which have affected markets on a good many commodities.

Perhaps the most disappointing feature of current butter markets is that apparent consumption of butter has not increased as had been hoped. The movement into consuming channels has been quite good in some of the large cities, particularly New York and Chicago, although this is not true for other important cities. At both Boston and Philadelphia, consumption was apparently lighter in February this year than last, and at Boston this condition still continues, Philadelphia showing a gain during recent weeks. Taking the country as a whole, the estimate of January consumption was an increase over 1929, but from the best information available, February has dropped below last year.

A discussion of dairy markets seems always to center on the butter situation, and this is because butter is a true reflector of the real dairy situation. When the milk dealer, the condensery operator, or the cheese maker find markets for their respective products unsatisfactory, butter is usually the product which affords a ready outlet. Right now, cheese prices are rather low, but they offer a higher probable net return than would be realized were cheese-factory milk sent to a creamery. Condenseries do not afford much of an outlet for such milk, either, just at this time, as condensery operators have not been aggressive in increasing their supply of milk. Under these conditions, cheese factories have little alternative, and accordingly, production is showing a considerable increase. Production of condensed and evaporated milk is somewhat lighter than last year, despite which stocks of both are very much heavier. Prices at which milk is sold to city consumers have dropped slightly in a few cities, although the principal changes occurred last month.

Prices of most dairy products are down, and this, as much as anything else, should accomplish what is most needed to put markets back on a satisfactory basis, namely, increased use of dairy products. From the consumer standpoint, now is a good time to get back to normal.

L. M. DAVIS,
Division of Dairy and Poultry Products, B. A. E.

SUMMARY OF DAIRY STATISTICS

[Million pounds, 000,000 omitted]

PRODUCTION

Products	February			January to February, inclusive		
	1930	1929	Per cent change	1930	1929	Per cent change
Creamery butter	96	98	−1.7	200	202	−0.8
Farm butter	32	33	−1.7	67	68	−1.7
Total butter	128	131	−1.7	267	270	−1.1
Cheese	22	21	+7.2	46	42	+9.0
Condensed and evaporated milk	125	129	−3.3	254	259	−2.1
Total milk equivalent	3,232	3,274	−1.3	6,708	6,744	−0.5

APPARENT CONSUMPTION

[Including production, changes in stocks, and net imports or exports]

Butter	142	143	−1.1	302	302	+0.0
Cheese	34	36	−7.3	74	76	−3.1
Condensed and evaporated milk	146	142	+3.2	307	285	+7.9
Total milk equivalent	3,684	3,731	−1.2	7,859	7,820	+0.5

T. R. PIRTLE,
Division of Dairy and Poultry Products, B. A. E.

PRICES OF FARM PRODUCTS

Actual prices received by producers at local farm markets as reported to the division of crop and livestock estimates of this bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

The paragraphs which follow are from this bureau's monthly report on the price situation.

Product	5-year average, August, 1909–July, 1914	March average 1910–1914	March, 1929	February, 1930	March, 1930
Cotton, per pound..cents..	12.4	12.4	18.8	14.8	13.8
Corn, per bushel...do....	64.2	61.3	88.7	77.4	74.5
Wheat, per bushel..do....	88.4	88.9	104.7	101.3	91.9
Hay, per ton.....dollars..	11.87	12.06	12.37	11.19	10.95
Potatoes, per bushel.cents..	69.7	67.5	58.4	139.1	136.7
Oats, per bushel....do....	39.9	40.3	46.6	43.0	41.4
Beef cattle, per 100 pounds........dollars..	5.22	5.29	9.16	8.68	8.77
Hogs, per 100 pounds ....dollars..	7.23	7.41	10.00	9.48	9.57
Eggs, per dozen....cents..	21.5	19.3	28.0	31.8	21.3
Butter, per pound..do....	25.5	25.6	45.2	38.1	36.8
Butterfat, per pound ....do....	....	....	48.3	35.4	34.9
Wool, per pound...do....	17.7	18.7	35.5	25.9	23.7
Veal calves, per 100 pounds ....dollars..	6.75	6.92	12.51	11.69	11.24
Lambs, per 100 pounds ....dollars..	5.91	6.22	13.12	10.46	9.63
Horses, each.......do....	142.00	144.00	83.00	77.00	78.00

The average of prices received for farm products has been declining each month since August and is below that of last year. The level on February 15, 1930, was 131 compared with 134 on January 15 and 136 a year earlier. Further declines have occurred since the middle of February. Some of the commodities which were outstanding in the decline are cotton, wool, wheat, eggs, and butter. Although crop conditions will again be important in affecting prices of farm products for the next few months, declines in the general price level, and reduced demand as a result of the business situation have been the primary factors affecting prices recently. The general price level has fallen over 8 per cent in the past year in the United States, and declines have occurred in most of the important foreign countries.

Wheat.—The world supply of wheat as of March 1 was probably 200,000,000 bushels less than the supply available a year ago, but a reduction in demand and a world-wide decline in the general price level have depressed prices below the level of a year ago. The amount of wheat remaining in the United States is probably a little larger, but the surplus in the Southern Hemisphere is considerably less, and the available supply in Europe is probably somewhat less than a year ago.

Foreign demand for our wheat continues disappointingly weak, and foreign countries are buying on a "hand-to-mouth" basis. Reports indicate that some of the European countries must begin buying more freely before the end of the season.

The areas seeded have been reduced in some foreign countries and average yields would result in smaller crops in North Africa and some European countries, but larger crops in Canada and Argentina. The April 1 condition of the wheat crop in the United States will be an important factor in the market during the next two or three months. Easier credit and stabilization of the general price level will eventually result in a stronger demand for wheat.

Corn.—Market prices for cash corn averaged lower in February than in January but farm prices as of the middle of each month were about the same. While supplies are still small for this season of the year, consumption for this season to date has been below average. The recent decline in market prices is the result of generally weak commodity markets, the decrease in consumption, and the low prices of Argentine corn. Commercial stocks ordinarily reached their peak in March and April but they are now low and should they begin to decline, that fact would probably strengthen the market within the next few months.

Hogs.—The seasonal rise in hog prices which has been under way since late in November was checked the third week in February. The average price at Chicago that week was $10.83 compared with $9.02 for the low week of the winter. Last winter prices rose from $8.50 in mid-December to $11.65 the third week of March. Storage stocks of pork were 17 per cent less than last year on March 1 and stocks of lard were 35.2 per cent smaller. Federally inspected slaughter in February was also low, being 10 per cent less than a year earlier. The early check to the seasonal rise in prices is, therefore, due to the demand situation and, with no material increase in supplies over last year indicated, the level of hog prices during the next few months will be determined largely by developments in the industrial situation.

Butter.—The depression in butterfat prices as compared with a year ago continues to be less severe in the Northern and Southern Atlantic States than in other sections, but the discrepancy between regions is less marked than a few months ago. Receipts of butter are about the same as last year but storage holdings are much larger. Increased consumption at lower retail prices will probably retard any seasonal decline and the extent of any further decline will depend largely upon spring pasture conditions, which can not be foretold, but would have to be unusually good to be as favorable to heavy production as those of last year.

Eggs.—Egg prices broke sharply in February as a result of heavy receipts. Fresh extras in New York fell from nearly 48 cents per dozen to less than 30 cents by the end of February. With heavy consumption resulting from low retail prices, the demand for eggs for storage will probably neutralize the effect of seasonally heavier receipts, which reach a peak in April or May.

GENERAL TREND OF PRICES AND PURCHASING POWER

[On 5-year base, August, 1909–July, 1914=100]

Year and month	Index numbers of farm prices							Prices paid by farmers for commodities bought [1]	Ratio of prices received to prices paid
	Grains	Fruits and vegetables	Meat animals	Dairy products	Poultry products	Cotton and cottonseed	All groups 30 items		
1910	104	91	103	100	104	113	103	98	106
1911	96	106	87	97	91	101	95	101	93
1912	106	110	95	103	101	87	99	100	99
1913	92	92	108	100	101	97	100	100	99
1914	103	100	112	100	105	85	102	101	101
1915	120	83	104	98	103	78	100	106	95
1916	126	123	120	102	116	119	117	123	95
1917	217	202	173	125	157	187	176	150	118
1918	226	162	202	152	185	245	200	178	112
1919	231	189	206	173	206	247	209	205	102
1920	231	249	173	188	222	248	205	206	99
1921	112	148	108	148	161	101	116	156	75
1922	105	152	113	134	139	156	124	152	81
1923	114	136	106	148	145	216	135	153	88
1924	129	124	109	134	147	211	134	154	87
1925	156	160	139	137	161	177	147	159	92
1926	129	189	146	136	156	122	136	156	87
1927	128	155	139	138	141	128	131	154	85
1928	130	146	150	140	150	152	139	156	90
1929	121	136	156	140	159	145	138	------	------
February—									
1921	136	127	119	165	185	89	128	------	------
1922	102	173	108	134	140	128	118	------	------
1923	114	122	110	151	151	215	136	152	89
1924	113	123	102	150	157	247	136	154	89
1925	178	131	126	134	166	183	146	158	92
1926	140	218	146	143	145	142	143	157	92
1927	122	142	143	143	145	94	127	154	82
1928	128	153	139	145	144	141	135	154	87
1929	123	111	150	144	158	149	136	156	88
1929									
July	122	136	167	135	143	145	140	155	90
August	129	160	165	137	151	146	143	155	92
September	131	160	156	139	165	146	141	155	91
October	128	168	151	141	181	141	140	[2] 155	[2] 91
November	118	159	144	142	200	132	136	[2] 155	[2] 88
December	119	163	143	140	204	130	135	[2] 155	[2] 87
1930									
January	118	167	146	135	178	128	134	[2] 155	[2] 86
February	115	168	150	129	154	121	131	[2] 155	[2] 85

[1] These index numbers are based on retail prices paid by farmers for commodities used in living and production, reported quarterly for March, June, September, and December. The indexes for other months are straight interpolations between the successive quarterly indexes.

[2] Preliminary.

U. S. GOVERNMENT PRINTING OFFICE: 1930